



COMMITTEE of the WHOLE

CITY COUNCIL

MINUTES
August 4, 2008
5:00 P.M.
Council Office

COUNCIL MEMBERS PRESENT:

M. Goodman-Hinnershitz, J. Waltman, D. Sterner, M. Baez, V. Spencer

OTHERS IN ATTENDANCE:

C. Younger, C. Kanezo, L. Kelleher, S. Katzenmoyer, M. Vind, R. Hottenstein, D. Cituk

Vaughn Spencer, President of Council, called the Committee of the Whole meeting to order at 5:00 p.m.

I. Debt Restructuring

Mr. Vind reviewed the debt restructuring. He estimated that these ordinances would total approximately \$50.17 million. This would result in a savings of \$19.2 million and would cost the City \$4 million over the term of the bonds.

Mr. Hottenstein reviewed the policy change that the City has made in regards to bond issuances. He noted that future bonds will not cause spikes in payments but will be kept level and affordable.

Ms. Goodman-Hinnershitz added that the Reading School District debt of \$100 million also rests on the shoulders of Reading taxpayers.

Mr. Vind noted that the calculations are based on a 5% interest rate but that currently rates are much lower. These are very conservative numbers.

Mr. Vind reviewed the fees paid to Financial S&Lutions. The fees are based on basis points and the City will pay 2.5 basis points. This is added to the interest rate and will total approximately \$41,500. He noted that this is the lowest fee ever paid for this type of restructuring.

The meeting was adjourned at 5:34 pm.

Respectfully Submitted

By: _____
Linda A. Kelleher, City Clerk